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Military Advisor to the Secretary of the Army

20 December 1948

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Petroleum Products in the USSR

1. In reply to your telephone request of 14 December, the following information regarding the above subject is submitted.

2. The petroleum industry of the USSR has recovered rapidly since the war, with crude oil production expected to reach the 1950 goal of 35.4 million metric tons by the end of 1949. Refining capacity is believed ample to process all of the crude oil produced but, because of the restricted cracking plant capacity, light fractions are in relatively short supply and will continue so for at least several years.

3. On the attached sheet estimates are tabulated of the supply, demand and stockpiling of petroleum and synthetic refined products for the years 1946-1949. These show a cumulative surplus available for stockpiling of one million metric tons of light fractions and lubricating oil, whereas the residual products such as heavy fuel oil, asphalt, wax, etc., may well have been stockpiled to the extent of about eight million metric tons. Moreover, these amounts represent the total maximum stocks available in 1949 since there is every evidence that stockpiles had been completely depleted at the end of World War II.

4. In the event of war in 1949, it is believed that the requirements of the Soviet civilian economy for petroleum products could be curtailed materially without serious impairment of its ability to supply the military, which with corresponding increases in imports would just about meet the demands of military action. The readjusted balance of supply and demand under war conditions is shown in the attached tabulation.

5. On basis of availability of petroleum products, the USSR thus must be deemed quite capable of initiating a major war effort in 1949. The production pattern, particularly as it now exists, however, appears quite vulnerable to strategic bombing, for the following reasons:

(1) high concentration of both producing and refining centers in the Trans-Caucasus (crude: 60%, refining: 65%), and Volga-Ural regions (crude: 24%, refining: 10%);

(2) refineries at Guryev and Orsk are the principal producers of high octane aviation gasoline;

(3) production of tetraethyl lead, a critical material for high octane gasoline production, is confined largely to Dzerzhinsk

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6. Assuming continued peace until 1955, the USSR might very well have accumulated a reserve of 6-7 million metric tons of light fuels and lubricants, and some 15-18 million tons of heavy products. The production pattern will still be extremely vulnerable with production in the Trans-Caucasus probably being 55 percent, and in the Volga-Ural area some 31 percent, and the relative distribution of refineries not changed substantially from the 1949 pattern.

7. The primary concentrations of storage facilities are located within the triangle bound by Ufa, Gorki and of Saratov, the region encompassing Baku, Makhach-Kala and Grozny, the Moscow region, and around Vladivostok. Present storage facilities are located largely at producing fields, refineries, and at important transshipment points. Evidence is accumulating that additional depots are being dispersed at strategic points, such as railheads. Soviet applied research on bulk and open pit storage and other developments show an active effort to overcome present inadequacies and develop emergency and less vulnerable storage for war time.

THEODORE BABBITT

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20 December 1948

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ESTIMATED SUPPLY, DEMAND, AND STOCKPILING OF PETROLEUM
AND SYNTHETIC REFINED PRODUCTS IN THE USSR

MILLIONS OF METRIC TONS

YEAR	Gasoline, Kerosene- Jet, Propeller & Diesel Fuels, & Lubricants P.O.L.				Residual Fuel Oils, Road Oil, Asphalt, Wax & other Heavy Fraction Products				Total Refined Products					
	Supply		Consump.		Supply		Consump.		Supply		Consump.			
	Production	Imports	Civilian	Military	Production	Imports	Civilian	Military	Production	Imports	Civilian	Military		
1946	10.9	2.6	12.1	1.4	0	8.9	.8	9.1	.3	19.8	3.4	21.2	1.7	.3
1947	13.2	2.0	14.5	.7	0	10.8	.7	9.7	.2	24.0	2.7	24.2	.9	1.6
1948	15.8	1.9	15.1	.8	.8	12.9	.6	10.6	.2	28.7	2.5	26.7	1.0	3.5
1949	19.2	1.5	17.6	2.9	.2	14.8	.5	11.0	.6	34.0	2.0	28.6	3.5	3.9
1949 War	19.2	2.8	12.2	9.6	.2	14.8	1.0	9.4	3.1	34.0	3.8	21.6	12.7	3.5
1955 Peace	25	1	21	4	2	16	1	13	1	42	1	34	5	4